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December 19, 2001

BY E-MAIL AND BY HAND

Mary L. Cottrell, Secretary

Department of Telecommunications and Energy

One South Station, 2nd Floor

Boston, MA 02110

Re: Blackstone Gas Company – DTE 01-50 - Compliance Filing

Dear Secretary Cottrell:

Enclosed please find an original of Blackstone Gas Company's ("Blackstone" or the "Company") compliance rate tariffs and a revised and updated cost of gas adjustment factor. These rate tariffs have been designed in compliance with the Department of Telecommunications and Energy's ("Department") Order in Blackstone Gas Company, D.T.E. 01-50 dated November 29, 2001 as corrected on December 13, 2001.

Blackstone's compliance filing consists of revised tariffs that reflect an increase in base revenues of \$117,871 and a revised cost of gas adjustment clause which includes provisions for the collection of gas working capital and gas bad debt expense. In accordance with the Department's Order the new rates shall apply to gas consumed on or after December 1, 2001.

The revised cost of gas adjustment filing reflects a reduction from the currently effective GAF/LDAF rate of \$0.530 to \$0.5058 per CCF. The revised GAF filing has been updated to reflect NYMEX gas costs as of December 14, 2001 and to reduce 2000/2001 gas costs as a result of ongoing negotiations by the Company with its gas supplier to rectify pipeline metering errors.

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The proposed tariffs are:

<u>RATE DESCRIPTION</u>	<u>CURRENT</u>	<u>PROPOSED</u>
Rate R-1 Residential (Non-Heating)	MDPU No. 59	MDTE No. 73
Rate R-2 Residential Low Income (Non-Heating)	None	MDTE No. 74
Rate R-3 Residential (Heating)	MDPU No. 60	MDTE No. 75
Rate R-4 Residential Low Income (Heating)	None	MDTE No. 76
Rate G-1 General Service	MDPU No. 61	MDTE No. 77
Rate S-1 School Rate	None	MDTE No. 78
Cost of Gas Adjustment Clause	MDPU No. 62	MDTE No. 79

Attachments

Enclosed are the supporting calculations that implement the changes in the Company's rate tariffs:

Attachment 1:	Proposed Rates effective December 1, 2001
Attachment 2;	Rate Design Worksheet
Attachment 3:	Comparison of current vs. proposed rates
Attachment 4:	Updated cost of gas adjustment

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Please contact me or Art Freitas at LaCapra Associates (617 – 557-9100, Ext. 30) should you have any questions concerning this filing.

Very truly yours,



Andrew J. Newman

AJN/lms

cc: (with enclosure)
Mr. Kevin Brannelly, Director of Rates and Revenue Requirements (1 copy)
Mr. Glenn Shippee, Rates and Revenue Requirements Division (3 copies)
Jody Stiefel, Esq., Hearing Officer (2 copies)
Wilner Borgella, Jr., Esq. (1 copy by e-mail)
James M. Avery, Esq. (1 copy)
D.T.E. Filing (by e-mail)